

# CHILD NUTRITION AND FOOD DISTRIBUTION DIVISION MANAGEMENT BULLETIN

No.: 98-205

FROM: **CHILD CARE FOOD PROGRAM**

ISSUE DATE: **OCTOBER 1998**

TO: **DAY CARE HOME SPONSORS**

SUBJECT: **INCORPORATED PROVIDERS**

## **PURPOSE**

This Management Bulletin disseminates APB: CAC-98-13, Child Care Food Program (CCFP) guidance received from United States Department of Agriculture (USDA), Western Regional Office regarding incorporated providers.

## **KEY POINTS**

1. Providers may incorporate their day care home operations. However, incorporation plays no role in the provider's participation in the CCFP.
2. The structure for participation of a day care home in the CCFP is presumed to be an **individual** operation. In accordance with the National School Lunch Act (the law governing child nutrition programs), the sponsor may only enter into a CCFP agreement with a provider as an individual, not as a corporation.
3. A sponsor/corporation may have one or more day care homes under its umbrella operating a CCFP. However, each home provider must have an individual agreement with the sponsor/corporation.
4. Each home must have a different provider; a provider may not operate more than one day care home.
5. Each home must be licensed.
6. Corporations sponsoring multiple day care homes receive one reimbursement check from the State Agency and must adhere to claims payment requirements for timely reimbursement to participating providers.
7. Income information for determining children's eligibility for meals served, including provider's own children, is based on the income of the household.

(OVER)

**Delaine Eastin---Superintendent of Public Instruction • Sacramento**

8. Please note USDA's reference to CACFP's *Eligibility Guidance for Family Day Care Homes* as it relates to wages paid and dividends for providers associated with corporations.

## **CONTACT**

If you have any questions regarding this Management Bulletin, please contact Claire Camp, Child Care Food Program Analyst, at (916) 322-8307 or toll free at (800) 952-5609.

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Attachment: USDA Directive APB: CAC-98-13 re: Incorporated Providers

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